

**RULES
OF
TENNESSEE STATE OIL AND GAS BOARD
STATEWIDE ORDER NO. 2
DRILLING, RE-ENTRY, PLUGGING
AND ABANDONING EXPLORATORY
AND EXPLOITATION OIL AND GAS WELLS**

**CHAPTER 1040-2-8
DIRECTIONAL DRILLING**

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1040-2-8-.01 LATERAL DEVIATION

- (1) No operator shall drill a well in which the well bore deviates laterally a resultant distance greater than that determined by a five degree (5 degree) angle from a vertical line passing through the center of the surface location of the well bore, without running a directional survey. If the operator desires to directionally control and thereby intentionally deflect a hole from the vertical (whether more or less than five degrees (5 degrees) and unless done to straighten the hole or to side-track junk in the hole or because of other mechanical difficulties) a permit, Application for Re-Entry and Work Permit (Form P-RAW-1), shall first be obtained from the Supervisor. Nothing herein shall be construed to permit the drilling of any well in such a manner that it crosses property lines.
- (2) Whenever a well is deviated from vertical, the point at which the well bore intersects the producing formation (pool) shall be protected to the surface and become the location of the well in determining if it complied with the spacing rules.

Authority: T.C.A. §§60-1-202. Administrative History: Original rule was certified May 24, 1974.

1040-2-8-.02 INCLINATION SURVEYS An inclination survey shall be made at the discretion of the Supervisor on all wells drilled with the first shot-point at a depth not greater than that of the surface casing seat and succeeding shot-points not more than one thousand (1,000) feet apart. Inclination surveys conforming to the requirements may be made either during the normal course of drilling or after the well has reached total depth. Such survey data shall be certified by the operator's representative and/or drilling contractor and shall indicate the resultant lateral deviation as the sum of the calculated lateral displacement determined between each inclination survey point, assuming that all such displacement occurs in the direction of the nearest property line. If a directional survey determining the bottom of the hole is filed with the Supervisor upon completion of the well, it shall not be necessary to furnish the inclination survey data. Except as otherwise specified herein, all inclination and/or directional survey data shall be filed along with Form R-WH-1 (Well History).

Authority: T.C.A. §§60-1-202. Administrative History: Original rule was certified May 24, 1974.

1040-2-8-.03 DIRECTIONAL SURVEY

- (1) A directional survey shall be run by a qualified contractor approved by the Supervisor and two (2) Certified copies thereof filed with the Supervisor on any well, if:
 - (a) The well is directionally controlled and is thereby intentionally deflected from the vertical; or

(Rule 1040-2-8-.03, continued)

- (b) The resultant level deviation as calculated from inclination survey data is a distance greater than the distance from the center of the surface location of the well bore to the nearest property or unit line and might violate the distance from property lines rule; or
 - (c) The well bore deviates a resultant distance greater than that determined by a five degree (5 degree) angle from a vertical line passing through the center of the surface location of the well bore.
- (2) The Supervisor, on his own initiative or at the request of an offset operator, shall have the right to require the operator to run a directional survey on any well if there is reasonable cause therefore. Whenever a survey is so required, and the operator of the well and the offset operator are unable to agree as to the terms and conditions for running such survey, the Supervisor, upon request of either, shall determine such terms and conditions, after notice to all interested parties and a public hearing.
- (3) Unless required by the Supervisor, a directional survey shall not be required for any well which is not directionally controlled and thereby intentionally deflected from the vertical and which has a surface location, maximum angle of deviation and total depth, in compliance with the provisions of Chapter 1040- 2-1- through chapter 1040-2-12.
- (4) The provisions hereof shall not alter or affect the minimum spacing provisions of chapter 1040-2-1 through chapter 1040-2-12.

Authority: T.C.A. §§60-1-202. **Administrative History:** Original rule was certified May 24, 1974. Amendment filed June 29, 1982; effective August 13, 1982. Amendment filed May 30, 1990; effective July 14, 1990.

1040-2-8-.04 HORIZONTAL DRILLING

- (1) Wells drilled by horizontal methods shall comply with the following spacing requirements:
 - (a) For all oil wells, and for gas wells drilled to the top of the Conasauga Group, the surface trace of that portion of the wellbore or any portion of the horizontal drainhole that penetrates the producing formation, including the horizontal drainhole end point, shall not be located closer than three hundred thirty (330) feet from any property or unit line.
 - (b) For gas wells drilled below the top of the Conasauga Group, the surface trace of that portion of the wellbore or any portion of the horizontal drainhole that penetrates the producing formation, including the horizontal drainhole end point, shall not be located closer than six hundred sixty (660) feet from any property or unit line.
 - (c) Any number of producing formations may be penetrated by lateral drainholes from a single vertical wellbore.

Authority: T.C.A. §§60-1-202 and 60-1-204. **Administrative History:** Original rule filed May 30, 1990; effective July 14, 1990.